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March 13, 2007

AGENDA ITEM 9

TO: MEMBERS OF THE HEALTH BENEFITS COMMITTEE

- I. SUBJECT:** 2007-08 Proposed Health Policy Priorities for Legislation Pursuant to Strategic Plan
- II. PROGRAM:** Legislation
- III. RECOMMENDATION:** Staff recommends that the Board:
 - 1. Adopt the attached 2007/08 Health Policy Priorities for legislation pursuant to the strategic plan.
 - 2. Direct staff to bring legislation identified in these priorities to the Board for positions, and seek opportunities to advance the identified goals.

IV. ANALYSIS:

Attachment 1 contains the health policy priorities recommended by staff for the 2007/08 legislative session. The adoption of these legislative priorities will provide direction to the Office of Governmental Affairs in identifying and focusing its efforts on those issues that most impact the strategic direction of the CalPERS health program.

The Board previously adopted health legislative priorities relative to the 2003/04 and the 2005/06 legislative sessions. This direction has been very useful in guiding staff's activities on state and federal legislative issues. The suggested priorities contained in Attachment 1 are similar to the previously adopted 2005/06 priorities.

Background

Each year there is a broad variety of legislation introduced at the state and federal level impacting health insurance and health providers. Since CalPERS is the largest purchaser of health insurance in California and our members represent a significant number of health care consumers, much of this legislation may impact CalPERS to some degree.

The Board has adopted Legislative Policy Standards (See Attachment 2) that provide staff a general framework within which to work on legislation consistent with Board policy. These policy standards, however, are general in nature and are not designed to address specific health care issues. Therefore in addition to the Legislative Policy Standards the Board has adopted Health Policy Priorities based on the CalPERS strategic plan.

In September 2005 the Board adopted twelve new strategic goals focused on our enterprise and three business lines. Staff based the proposed legislative priorities on the underlying objectives of CalPERS' three strategic goals as they relate to our health program. These basic tenets have been embraced by all CalPERS constituents: (1) develop and administer quality, sustainable health benefit programs that are responsive to, and valued by, enrollees and employers; (2) promote the ability of members and employers to make informed decisions resulting in improved lifestyle choices and health outcomes; (3) engage and influence the health care marketplace to provide medical care that optimizes quality, access, and cost.

The recommended legislative priorities will assist in defining CalPERS' role in broad health care insurance, coverage, and delivery issues. The priorities are consistent with and expand on the Board's Legislative Policy Standards.

Therefore, staff recommends that the Board adopt the attached 2007/08 health policy priorities and direct staff to prioritize state and federal legislative activities accordingly.

V. STRATEGIC PLAN:

This item supports the strategic plan for the future direction of the health program.

VI. RESULTS/COSTS:

The adoption of legislative priorities will provide direction to the Office of Governmental Affairs in identifying and focusing its efforts on those issues that most impact the strategic direction of the CalPERS health program.

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